



## Proposed License Fee Increase in 2014

**We are asking for your feedback on a proposed license fee increase.**

After much discussion and consideration, staff asked the Commissioners to consider agency request legislation for a 5% license fee increase to be effective July 1, 2014.

At the July 2013 public meeting, the Commissioners asked staff to begin working with stakeholders to get their feedback on a 5% fee increase. The Commissioners and staff recognize the impact a fee increase will have on businesses and individuals. The decision to consider a fee increase came only after an extensive budget review and considering all other options.

*(Continued on page 4)*

## David Trujillo Appointed as Executive Director



David Trujillo has been appointed Executive Director of the Washington State Gambling Commission, in a unanimous vote of the five citizens that serve as Commissioners. When the Commissioners announced their decision at their public meeting on June 19, 2013, they said David's background with the Commission was impeccable and it was an easy choice selecting him as the Commission's new Director.

*(Continued on page 8)*

## Farewell Commissioner Ellis



John Ellis was appointed as a Commissioner in February 2005 by Governor Gregoire; his term expired June 30, 2013. He served as Commission Chair for four years and Vice-Chair for one year. Governor Inslee recognized Commissioner Ellis in a letter which was read at the May 2013 Commission meeting. Governor Inslee thanked Commissioner Ellis for the considerable time and energy he devoted to the Commission.

*(Continued on page 8)*

## Welcome Commissioner Stearns



Chris Stearns was appointed as a Commissioner in May 2013 by Governor Inslee to replace Commissioner Michael Reichert. Commissioner Stearns is from the Navajo Nation and practices Native American law with Hobbs, Straus, Dean & Walker LLP. Commissioner Stearns has spent his career working in Native American public policy and served as Indian Affairs Director under Energy Secretary Bill

*(Continued on page 8)*

### Commissioners

John Ellis, Chair  
Mike Amos, Vice Chair  
Kelsey Gray  
Margarita Prentice  
Chris Stearns

### Ex-Officio Members

Senator Steve Conway  
One position vacant  
Representative Gary Alexander  
Representative Timm Ormsby

### Inside this Issue:

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## Administration

Director - David Trujillo  
Executive Assistant - Gail Grate  
Deputy Director - Vacant position

## Human Resources

Administrator - Lisa Benavidez

## Business Operations Division

Administrator - Judy Pittelkau

## Information Technology Division

Administrator - Tom Means

## Licensing Services Division

Assistant Director - Tina Griffin

## Communications and Legal Division

Administrator - Amy B. Hunter

## Tribal Gaming Unit

Assistant Director - Julie Lies

## Electronic Gambling Lab

Administrator - Paul Dasaro

## Field Operations

Assistant Director - Mark Harris

### Eastern Region - Spokane

Agent in Charge - Gary Drumheller

### Northwest Region - Everett

Agent in Charge - Greg Thomas

### Southwest Region - Tacoma

Agent in Charge - Jeannette Sugai



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## My Account is for Everyone!

By: Collene Engle, Licensing Operations Division

In May, we began offering a new online feature, My Account, to all licensed commercial and nonprofit organizations. With one log-in through My Account, licensees can:

- Submit activity reports
- View activity reports previously submitted
- Update contact information
- Submit organizational and employee applications with one electronic payment
- Get the name and contact information for your local field agent
- Sign-up to get e-mail notifications of upcoming Commission meetings, proposed rule changes, and new editions of our licensee newsletters
- View a calendar of Commission events and license expiration dates for your organization and employees

You may have multiple logins and users for the same My Account. As we add more online processes, licensing applications specific to your business will appear in your My Account.

### *All Licensees Should Have a My Account:*

If you don't have one yet, create a My Account today! Please note: We may have created an Account for you already, if you:

- Are currently licensed;
- Have held a license;
- Have filed an activity report online; or
- Submitted an application online.

To see if we created an Account for you, click on the **Sign In** tab in the upper right-hand corner of our website.

Enter your organization number or e-mail address you previously gave us and the password you currently use to log-in to file your activity reports or create online applications. If you don't have a password or forgot your password, click on *Can't access your account?* to reset your password.

### *My Account is for Everyone, not just Licensees!*

Even if you are not a licensee, you can create a My Account and sign-up to receive e-mail notifications of licensee newsletters, Commission meetings, and rule-making. E-mail notifications are a great way to get information without having to visit our website to see if new information is posted. Create an Account by clicking on **"Sign In"** in the upper right corner of our web page. Click on **"Sign up now"**, if you don't have an account. After you register, you will receive a confirmation e-mail to activate your new account.

For questions about My Account:

- Call: (360) 486-3440, extension 2332; or
- E-mail: AskUs@wsgc.wa.gov.

## Card Room Employees Must Accurately Report All Tips

By: Greg Thomas, Program Manager, Northwest Regional Field Office

Are you a card room employee that receives tips? If you answered yes, this article is for you, as well as your employer. Are you accurately reporting tips? If you answered yes, keep up the good work. If you answered no, that's a problem because you are violating WAC 230-15-475.

As a card room employee, you must accurately report all tips to your employer as described in their internal controls. Your employer must have procedures in place to ensure tips are reported accurately.

House-banked card games licensee must:

- Ensure tips are controlled so only authorized employees receive tips, that tips are properly accounted for, and that tips are maintained separately from all other gambling funds; and
- Establish and implement procedures to ensure card room employees are accurately reporting tips.

Gambling Agents have been reviewing card room internal controls to verify procedures are in place to ensure tips are accurately counted, recorded, and reported.

If you under-report tips or your employer doesn't have tip reporting procedures in place, we may take administrative action against your license and/or your employer's gambling license. See WAC 230-15-475 for details on tip reporting requirements.

For questions, please contact your local gambling field agent.

## New Card Game Records Coming Soon

By: Eastern Regional Field Office

Did you know card game licensees must prepare all records in the format we require (WAC 230-15-190)? New recordkeeping forms will be coming out soon for all house-banked card rooms (HBCR) and card rooms with a Class F endorsement (Class F).

Last year, we began a project to review and update all recordkeeping forms used by HBCRs and Class F card rooms. The last time these forms were revised was in 2000. This new project was designed to save you time by:

- Updating and simplifying card room recordkeeping forms;
- Combining forms to reduce reporting duplications;
- Eliminating the reporting of unnecessary information;
- Deleting unnecessary forms; and
- Developing better instructions to help you complete the forms more easily.

Here are a few examples of some changes to recordkeeping forms you can expect to see:

- The monthly income summary now includes a column for tournament entry fees (HBCR and Class F);
- The master games report now has a row to record the amount of the drop for the poker rake and player-supported jackpot (HBCR with Class F); and
- The player-supported jackpot (PSJ) daily record and the daily card room record (Class F) were combined.

In the coming months, you will be hearing more about the new card room recordkeeping forms. Once we finalize the new recordkeeping forms, you will be able to download the new forms from our website ([www.wsgc.wa.gov](http://www.wsgc.wa.gov)) and start using them. We will give you time to transition to the new recordkeeping forms and use up your existing inventory of forms.

For questions, please contact your local gambling field agent.



## Proposed License Fee Increase in 2014 Continued

(Continued from page 1)

We would like to get your feedback on a proposed 5% license fee increase, which is the purpose of this article.

**The fee increase will be discussed at the upcoming September 2013 Commission meeting. You are encouraged to attend the September meeting and share your comments.**

You may also submit your comments in writing. If your comments are received before **August 23**, the Commissioners will have them in time to consider at the September meeting. At the September meeting, the Commissioners will decide whether to send the proposal to the Governor's Office for consideration. If they vote yes, a rule change to increase fees will be up for discussion and possible filing at the October Commission meeting.

### **Agency Request Legislation 2014 Legislative Session**

If, at their September meeting, the Commissioners vote to send the proposal to the Governor's Office, the Governor's office will decide if the Commission may pursue a fee increase as "agency request legislation." All fee increases must be approved by the state legislature.

### **Final Step in the Process April 2014**

If the fee increase is ultimately approved by the state legislature during the 2014 legislative session, the Commissioners would take final action on a fee increase at their April 2014 public meeting. We anticipate the Commissioners would vote to approve the increase to become effective July 1, 2014; however, the Commissioners will have all stakeholder input, including your comments, for consideration at that meeting and could adjust the fee increase based on those comments.

### **How You Can Share Your Comments**

- Attend the September Commission meetings (see page 7 for meeting schedule).

If you can't attend the September Commission meeting, please submit your comments by August 23, 2013.

- Take a survey on our website:  
[www.wsgc.wa.gov](http://www.wsgc.wa.gov).

- E-mail:  
[Mark.Harris@wsgc.wa.gov](mailto:Mark.Harris@wsgc.wa.gov)

- U.S. Mail:  
Mark Harris, Assistant Director  
Field Operations  
WA State Gambling Commission  
P.O. Box 42400, Olympia, WA 98504-2400



### **Background**

The last license fee increase was in 2008. Since that time, the economy took a down turn. Businesses and government agencies are continually looking for ways to reduce expenses, in order to operate with declining revenues.

We have worked hard to reduce expenses by cutting staff and streamlining and eliminating processes. We have also been using federal seizure/forfeiture funds to cover some expenses. Unfortunately, these forfeiture funds will be used up in 2015. Even with our cost saving measures, a fee increase will be needed in 2014 to fund basic operations.

The Gambling Commission is a non-general fund agency, meaning the agency receives no general taxes for funding. Funding comes from licensing fees, regulatory fees, and reimbursements from Tribal governments. This means we cannot request funding from the state general fund.

### **How You Can Keep Updated**

You may visit our website during the next few months for updates. The next edition of this newsletter will be published mid-October and will include a summary of comments received, highlights of the September Commission meeting, and whether the Commissioners will ask the legislature for a fee increase in 2014.



## Recently Adopted Rule Changes

See pages 15-19 for full text of updated rules.

### Staff Proposed Rule Change

#### Reporting Changes within 30 Days

WAC 230-06-080 Reporting changes to application information and submit updated documents and information.

Effective Date: July 1, 2013

Administrative Order: 686

The Commissioners approved an amendment clarifying that licensees must report certain new and updated information to us within thirty days.

### Staff Proposed Rule Change

#### Background Checks on Spouses

WAC 230-03-065 Spouses must also be qualified.

WAC 230-03-045 Defining substantial interest holder.

Effective Date: May 16, 2013

Administrative Order: 687

The Commissioners approved an amendment to no longer require background checks on spouses of:

- Officers of charitable or nonprofit organizations; and
- Officers and board members of publicly-traded companies.

These spouses pose little to no regulatory risk and have no actual or potential influence over the decision making of the organization. We are not aware of other jurisdictions in the U.S. that require these spouses to undergo background checks.

### Staff Proposed Rule Change

#### Withdrawing Equipment Approval

WAC 230-06-052 Withdrawing gambling equipment authorization.

Effective Date: August 11, 2013

Administrative Order: 689

The Commissioners approved a new rule to clarify the process for when we withdraw gambling equipment authorization.

### Petition For Rule Change From the Public

#### Progressive Jackpots

WAC 230-15-685 Restrictions on progressive jackpots.

Effective Date: July 19, 2013

Administrative Order: 688

The Commissioners approved an amendment to clarify that licensees may connect progressive jackpots offered on the same card game on multiple tables within the same licensed location.

## Final Action Taken on a Petition from the Public

### Connecting “Envy” and “Share the Wealth” “Bonus Features” at a House-Banked Card Room

WAC 230-15-040 Requirements for authorized card games.

WAC 230-15-685 Restrictions on progressive jackpots.

In April 2012, the Commissioners filed a petition for rule change submitted by Rockland Ridge, a licensed gambling service supplier, and Galaxy Gaming, a licensed manufacturer, to connect “envy” and “share the wealth” “bonus features” among different card games and different tables within a house-banked card room (a similar petition was filed in April 2011 and denied at the February 2012 meeting due to regulatory and policy concerns). The second petition (filed in April 2012) was discussed at five Commission meetings and placed on hold twice. In March 2013, the petitioners revised their petition to no longer connect multiple game types. The revised petition would have allowed “envy” and “share the wealth” bonus features to be connected over multiple tables on the same game.

At their April 2013 meeting, the Commissioners voted as follows on the proposed amendments:

- WAC 230-15-040 the vote was 2:2. This means the petitioner’s request to connect “bonus features” of the same game over multiple tables was not approved.
- WAC 230-15-685 the vote was 4:0 to approve the proposed housekeeping amendment which clarifies licensees may connect progressive jackpots offered on the same card game on multiple tables within the same licensed location.

## Staff Proposed Rule Changes Under Review

### Up For Final Action at the August 2013 Commission Meeting

#### **Fingerprinting Applicants**

WAC 230-03-060 Fingerprinting of applicants.

This proposed amendment clarifies which types of licensees will need to submit fingerprints and which won't. It also adds that we may fingerprint any substantial interest holders to determine if they qualify for licensure.

### Up For Discussion at the August 2013 Commission Meeting

#### **Background Checks on Landlords of House-Banked Card Rooms**

WAC 230-03-061 Fingerprinting persons holding an interest in the building of a house-banked card room. This proposed new rule ensures the WAC is consistent with RCW 9.46.070(7) by requiring persons holding an "interest" in a building used for a gambling activity to undergo background checks. The rule describes "an interest" in a building used for a gambling activity as at least 51%, or less than 51% "interest in the building" when there is actual or potential influence or control of the operation of a house-banked card room.

House-banked card rooms that currently hold a license would be exempt, unless there is a change in persons holding an interest in the building or the house-banked card room changes location. We will continue to require copies of leases so that staff may review persons holding a "substantial interest" as defined in WAC 230-03-045. This rule change will be up for Final Action at the September Commission meeting.

### Up For Final Action at the September 2013 Commission Meeting

#### **Two-Part Payment Plan**

WAC 230-05-015 Two-part payment plan for license fees.

This proposed amendment adds language to clarify licensees that use the two-part payment plan must submit their second half payment. Language was added to clarify that we may take action against other licenses you hold or refer the debt to collections, or both. Staff is also proposing a housekeeping change to remove language about monitoring gross gambling receipts. WAC 230-06-130 outlines the process for licensees to monitor their gambling receipts, so this language is not needed.

#### **Implementing 2013 Raffle Legislation**

The subject of this rule-making is to implement ESSB 5723, which was passed during the 2013 Legislative Session to allow bona fide charitable or nonprofit organizations whose primary purpose is serving individuals with intellectual disabilities to conduct "enhanced" raffles under certain conditions if the raffle is approved by the five-person Gambling Commission.

The new law authorizes up to four raffles per year with a grand prize worth up to \$5 million and allows raffle tickets to be sold for up to \$250 per ticket (the current ticket limit is \$100). The new law allows associated entries and drawings, including "refer a friend," "early bird," and "multiple ticket" drawings. The organizations would be allowed to use call centers and/or hire consultants, if licensed by the Commission; currently call centers and consultants are not allowed. The new law expires June 30, 2017.

#### **Background Checks on Landlords of House-Banked Card Rooms**

WAC 230-03-061 Fingerprinting persons holding an interest in the building of a house-banked card room. For details about this new rule, please see the article in the left column.

## Rule-Making Process and How You Can Comment

This article explains how you can comment on proposed rule changes or share your ideas for new rules. Proposed rule changes are generally discussed at one or two informal Study Sessions and two or more formal Commission meetings.

Study Sessions and Commission meetings are open to the public. You are invited to attend and share your comments on proposed rule changes.

**Commission meetings** are usually held the second Thursday and Friday of each month (meetings are not held June and December). Please check our website as meeting dates get closer, as meetings are sometimes changed to a one-day meeting.

**Study Sessions** are typically held Thursday mornings before Commission meetings (10:30 a.m. to noon, unless it's a one day Commission meeting, then they will begin earlier in the day). Study Sessions are informal meetings that provide an opportunity for you to meet with staff and discuss current issues, proposed rule changes, enforcement questions, and legislative bills.

Proposed changes are discussed at a Study Session (first month) before it is Up for Filing at a Commission meeting.

The next month (second month), proposed rule changes are Up for Filing at a Commission meeting and the Commissioners generally vote to file proposed changes for further discussion.

The next month (third month), proposed rule changes are discussed at Study Session again.

The next month (fourth month), the proposed rule change is Up for Final Action at a Commission meeting where the Commissioners will decide whether to adopt the proposed change or not. Any additional comments from staff, licensees, and the public are discussed at this meeting. If additional time is needed to determine final action, the Commission, staff, a petitioner, or a member of the public can request the rules be held over to the next meeting for further discussion.

### Send Us Your Comments:

If you can't attend a meeting and want to comment on a rule change, send your comments to:

Washington State Gambling Commission  
Attention: Rules Coordinator  
P.O. Box 42400, Olympia, WA 98504-2400  
E-mail: [RulesTeam@wsgc.wa.gov](mailto:RulesTeam@wsgc.wa.gov)

For detailed information about rule changes under review at Study Sessions and Commission meetings, visit our website at [www.wsgc.wa.gov](http://www.wsgc.wa.gov) and select **Public Meetings**. Meeting agendas and detailed information are posted about ten days before each meeting. While you're on the Public Meetings webpage, **sign-up** to have a hyperlink to the meeting agendas e-mailed to you as soon as they are posted on our website. This way you don't need to check to see if it's posted. You can also sign up to have this newsletter e-mailed to you. It's easy. Just create a "My Account" to set up this e-mail notification.

### Commission Meeting Schedule August – December 2013

About 10 days before each meeting, please go to *Public Meetings* on our website to confirm if the meeting will be one or two days and for meeting start times.

<b>August 8 &amp; 9</b>	<b>Wenatchee Red Lion</b> 1225 N Wenatchee Avenue Wenatchee, WA 98801 (509) 663-0711
<b>September 12 &amp; 13</b>	<b>Grand Mound Great Wolf Lodge</b> 20500 Old Highway 99 SW Grand Mound, WA 98531 (360) 273-7718
<b>October 10 &amp; 11</b>	<b>Spokane Davenport Hotel</b> 10 South Post Street Spokane, WA 99201 (509) 455-8888
<b>November 14 &amp; 15</b>	<b>Comfort Inn Conference Center</b> 1620 74th Avenue SW Tumwater, WA 98501 (360) 352-0691
<b>December</b>	<b>NO MEETING</b>

## David Trujillo Continued

*(Continued from page 1)*



David has been with the agency for twenty-one years and is familiar with virtually every area of the Commission's operation. The Commissioners praised David for his professionalism, knowledge of the agency, and thoughtfulness.

David has been Interim Director since February 2013. He has served in nearly all agency programs, including licensing, field operations, investigations, and for the past 3½ years, as Deputy Director. [Click here for David's full bio.](#)

## Commissioner Ellis Continued

*(Continued from page 1)*



Governor Inslee said "the personal responsibility you took to make sure the Gambling Commission operated with transparency and responsiveness for the citizens of the state of Washington is to be applauded."

We appreciate the leadership and thoughtfulness Commissioner Ellis brought to the Commission. He will be missed.

## Commissioner Stearns Continued

*(Continued from page 1)*



Richardson, Democratic Counsel to the U.S. House Committee on Natural Resources under Chairman George Miller, Deputy Counsel to the U.S. House Native American Affairs Subcommittee, North Dakota State Campaign Director for Vice President Al

Gore, and Political Advisor to Tex Hall, President of the National Congress of American Indians.

Commissioner Stearns is active in his community, serving two terms as Chairman of the Seattle Human Rights Commission and is also on the Board of Directors of the Seattle Indian Health Board. He is a graduate of Williams College and Cornell Law School.

## Public Service Announcements

Each year, KOMO/Fisher Communications (KOMO) chooses one or two "good causes" to spotlight and for 2013 they chose problem gambling.

In the Fall of 2012, KOMO approached the Evergreen Council on Problem Gambling (Evergreen), a nonprofit organization, asking if they would be interested in collaborating on some problem gambling public service announcements (PSA) in 2013; Evergreen said yes!

Historically, the Commission has supported problem gambling programs, whenever possible. Evergreen asked if we wanted to partner on these PSAs. We said we would be interested, if a gambling enforcement message could be included in the PSAs. It was agreed that enforcement messages regarding underage gambling and illegal dog fighting would be distributed together with information about problem gambling.

Evergreen worked with KOMO to produce these PSAs which were aired on KOMO television and radio stations in both English and Spanish, during the first half of 2013.

Although the PSAs are no longer being aired on KOMO, you can see both the television and radio PSAs, which are posted on our [website](#).

### Underage Gambling

Kent Phillips, a radio and television personality for KOMO, was featured in both the television and radio PSAs. He spoke about illegal underage gambling and how it can lead to problem gambling.

### Dog Fighting: If you Suspect it, Report it!

There is a form of illegal gambling with a dark and deadly side that takes place right here in Washington State; it's wagering on dog fights. Not only is dog fighting illegal and cruel, it's linked to illegal gambling and other crimes. This PSA asked people who suspected dog fighting to report it by calling (360) 486-3466. They could be eligible for a \$5,000 reward.





## 2013 Legislative Update

By Amy B. Hunter, Legislative Liaison

The 2013 Legislative Session ended on June 29. The Gambling Commission did not request any legislation this session. A handful of gambling-related bills were introduced, two of which passed.

This was year one of the two-year cycle. Therefore, a few of the bills that died in the 2013 Session will be available to be considered again in the 2014 Session without having to be reintroduced.

### **Two new laws passed and became effective July 28, 2013:**

#### **ESSB 5723 – Authorizing “enhanced” raffles conducted by bona fide charitable or nonprofit organizations serving individuals with intellectual disabilities.**

This new law will assist bona fide charitable or nonprofit organizations whose primary purpose is serving individuals with intellectual disabilities. These organizations will be able to conduct “enhanced” raffles under certain conditions if the raffle is approved by the five-person Commission. The law authorizes a grand prize worth up to \$5 million and allows raffle tickets to be sold for up to \$250 per ticket (the normal limit is \$100). The law allows associated entries and drawings, including “refer a friend,” “early bird” and “multiple ticket” drawings. The organizations are allowed to use call centers and/or hire consultants, if licensed by the Commission; normally call centers and consultants are not allowed. The Commission is required to make a report to the legislature on the results of the raffles, including revenue generated. The law expires June 30, 2017, meaning a new bill would have to be introduced for “enhanced” raffles to continue after then.

#### **ESHB 1403 - Promoting economic development by providing information to businesses.**

This law is a step towards “one stop shopping” for businesses. The law adds the Gambling Commission, as well as several other agencies, to the list of agencies that must fully participate with the law that governs “Business Licensing Services” (BLS).

Agencies would need to provide the Department of Revenue (DOR) with a listing of each business license issued by the agency; a description of activities for which the license is required; the time period for which the license is issued and any issuance or renewal requirements; and other information, such as links to licensing information, applications, and instructions on the agency's website, if available.

This bill does not mean the Gambling Commission will be participating in BLS. The Commission and DOR would have to agree that the license will be issued through BLS for the license to be added. The Gambling Commission has been working with BLS for a few years on possibly issuing licenses through BLS, which would have some advantages for business owners and organizations.

### **Three gambling-related bills died, after having legislative hearings.**

#### **ESSB 5552 - Gambling Intercept Program.**

This bill would create a gambling payment intercept program, which is geared at parents who have gambling winnings and owe child support. A similar bill was introduced in the past. There is an intercept program for winners of the state lottery. This bill would require gambling licensees to check DSHS’ system to see if a parent is behind in child support before paying them their gambling winnings; the check of the system would be tied to the filing of the federal W2G form, not to every winning. The licensee could withhold an administrative fee of 3% of the past due amount or \$100, whichever is less. The bill allows the Commission to suspend a license or impose a monetary fee for licensees that don’t comply. Last, the bill would require the Gambling Commission to include gambling payment intercept programs when the Commission is negotiating tribal gaming compacts.



*(Continued on the next page)*

## 2013 Legislative Update Continued

*(Continued from the previous page)*

### **HB 1295 - Modifying the powers and duties of the gambling commission. (Commissioners took a position against the bill at their May meeting).**

The bill gives some of the Commission's powers and duties in RCW 9.46.070 to the legislature. The bill states: "The legislature retains sole authority for approval of any expansion or enhancement of the scope and manner of approved gambling activities, and any increase in the maximum wager, money, or other thing of value that may be wagered or contributed by a player in any gambling activities subject to this chapter." From a practical point, this would mean that many changes and approvals that can be accomplished by rule or by Commission staff now would instead need to be introduced as bills to the legislature.

### **HB 1824 - Reducing the penalty for a person conducting unlawful internet gambling in his or her primary residence for recreational purposes. (Commissioners took a "neutral" position on the bill and asked staff to pass on to the respective legislative committee that the Commission's enforcement efforts have been focused on Internet gambling providers).**

This bill decreases the penalty, from a class C felony to a class 3 civil infraction, for conducting unlawful internet gambling when done in one's home for recreational purposes. A civil infraction is a \$103 fine, after statutory assessments are factored in. A similar bill was introduced in 2007.

If you'd like to read more about these bills, they are easy to access on the legislative home page at <http://apps.leg.wa.gov/billinfo/>. Just put in the 4 digit number.

If you have questions, please contact Amy B. Hunter, Legislative Liaison, at (360) 486-3463 or by e-mail at [Amy.Hunter@wsgc.wa.gov](mailto:Amy.Hunter@wsgc.wa.gov).

## **The Following Licensees Successfully Passed Underage Gambling Inspections**

**January, February and March 2013**

### **House-Banked Card Rooms**

Chip's Casino	LaCenter
Last Frontier	LaCenter

### **Organization**

40 et 8	Vancouver
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## Administrative Case Update

A Statement of Administrative Charges or Order of Summary Suspension was issued to the following licensees.

Name	Violation	Case Outcome
Brian K. Hurst, of Everett, Class III Employee (formerly employed by the Tulalip Tribes)	<ul style="list-style-type: none"> <li>• Theft</li> </ul>	<ul style="list-style-type: none"> <li>• The Class III employee did not request a hearing, and a Default Order revoking his certification was entered at the March Commission meeting.</li> </ul>
Delia Jones, of Marysville, Class III Employee (formerly employed by the Tulalip Tribe)	<ul style="list-style-type: none"> <li>• Theft</li> </ul>	<ul style="list-style-type: none"> <li>• The Class III employee did not request a hearing, and a Default Order revoking her certification was entered at the September 2012 Commission meeting.</li> <li>• The Class III employee submitted a Motion to Vacate the Default Order, which was heard at the January 2013 Commission meeting.</li> <li>• On March 14, 2013, the Commission issued a Final Order Denying the Motion. Therefore, the certification remained revoked.</li> </ul>
Jordan L. Medeiros, of Tacoma, Card Room Employee (CRE) (formerly employed by Macau Casino)	<ul style="list-style-type: none"> <li>• Theft</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee requested a hearing.</li> <li>• The Administrative Law Judge (ALJ) issued an Initial Order revoking his license.</li> </ul>
Nghi Nguyen, of Lynnwood, CRE (formerly employed by Riverside and Drift on Inn Casinos)	<ul style="list-style-type: none"> <li>• Theft</li> </ul>	<ul style="list-style-type: none"> <li>• A Summary Suspension was personally served on December 26, 2012.</li> <li>• The licensee requested a Stay Hearing. The ALJ issued an order denying the Stay.</li> <li>• The licensee requested a hearing, on the merits of the case.</li> <li>• Prior to the hearing, the licensee agreed to surrender his license.</li> </ul>
Austin L. Moses, of Auburn, Class III Employee (formerly employed by the Muckleshoot Indian Tribe)	<ul style="list-style-type: none"> <li>• Fines &amp; Fees</li> </ul>	<ul style="list-style-type: none"> <li>• The Class III employee requested a hearing.</li> <li>• Prior to a hearing being scheduled, the Class III employee agreed to surrender his certification.</li> </ul>
Dan V. Nguyen, of Renton, CRE (formerly employed by the Royal Casino)	<ul style="list-style-type: none"> <li>• Fines &amp; Fees</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee requested a hearing.</li> <li>• The ALJ issued an Initial Order revoking his license.</li> </ul>

## Administrative Case Update

A Statement of Administrative Charges or Order of Summary Suspension was issued to the following licensees.

Name	Violation	Case Outcome
Jason R. Rosman, of Spokane, CRE (employed by Lilac Lanes and Casino)	<ul style="list-style-type: none"> <li>• Failure to Pay Notice of Violation and Settlement (NOVAS) for numerous mistakes involving closing procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee requested a hearing.</li> <li>• Prior to a hearing being scheduled, the licensee agreed to a 7 day suspension that was vacated by paying a \$400 fine, which included the \$200 NOVAS payment and \$200 for investigative costs.</li> </ul>
McCoy's Cavern, Olympia	<ul style="list-style-type: none"> <li>• Quarterly Activity Reports</li> <li>• Settlement Order Violation</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee requested a hearing.</li> <li>• Prior to a hearing, the licensee agreed to a 20-day suspension, with 3 days deferred, and 17 days served, and an additional 3 days served based on violating a May 2012 Settlement Order.</li> </ul>
Pee Wee Tavern, Tacoma	<ul style="list-style-type: none"> <li>• Quarterly Activity Reports</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee requested a hearing.</li> <li>• The ALJ revoked Pee Wee Tavern's license.</li> </ul>
Chipco International, Yarmouth, Maine	<ul style="list-style-type: none"> <li>• Failure to have a valid Washington State business license</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee requested a hearing.</li> <li>• Prior to the hearing, the licensee surrendered its license.</li> </ul>
Gameworks, Seattle	<ul style="list-style-type: none"> <li>• Operating without a valid license</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee requested a hearing.</li> <li>• Prior to the hearing, the licensee agreed to a 20-day suspension, with 5 days deferred for one year, and 15 days served.</li> </ul>



## NOVAS - Notice of Violation and Settlement

The Notice of Violation and Settlement (NOVAS) is a way to resolve some gambling rule violations without going through the full administrative process. A NOVAS is issued directly by a gambling field agent to a licensee at the time of the violation. The written notice outlines the violation and how to correct it. Fines range between \$200 and \$500. If a licensee does not correct the violation and pay the fine within 15 days, we will take administrative action against their gambling license.

### Following are NOVAS Issued During January, February and March 2013

House-Banked Card Rooms		Distributor Representative	
<b>Allowed a minor to gamble</b>		<b>Sold pull-tabs to licensee after license had expired</b>	
Diamond Lil's Casino	Renton	Dominic Turco	Shorthorn Tavern, Omak
<b>Allowed an unlicensed individual to install the digital video recording surveillance system</b>		Dominic Turco	301 Tavern, Ellensburg
Joker's Casino	Richland	<b>Organizations</b>	
<b>Allowed intoxicated patron to gamble</b>		<b>Failed to timely submit activity report</b>	
Silver Dollar Casino	SeaTac	American Legion 00141	Langley
<b>Card Room Employees</b>		Blue Beacon	Aberdeen
<b>Failed to follow internal controls – Accurate tip reporting</b>		FOE 00289	Yakima
Amber Bigby	Drift on Inn, Shoreline	FOE 03480	Orting
Austin Christensen	Silver Dollar Casino, SeaTac	Gonzo's	Kent
Vanny Kendall	Silver Dollar Casino, SeaTac	Goofy's Sport Bar and Grill	Seattle
Trang Le	Macau Casino, Lakewood	My Pub	Kenmore
Ya Li	Silver Dollar Casino, SeaTac	Panda Woks Restaurant	Pasco
Kim Chi Nguyen	Macau Casino, Lakewood	Porky's Public House and Eatery	Longview
Trung Nguyen	Macau Casino, Lakewood	S & S Amusement Company	Marysville
Tuan Nguyen	Silver Dollar Casino, SeaTac	Silver Creek Bar and Grill	Yakima
Vanny Nguyen	Macau Casino, Lakewood	Statz Blue Keg	Spokane Valley
Xuan-Dung Nguyen	Silver Dollar Casino, SeaTac	VFW 01585	Bellingham
Somchai Rodjanapany	Macau Casino, Lakewood	<b>Failed to renew license in a timely manner</b>	
Sherry Salerno	Macau Casino, Lakewood	Club 301	Ellensburg
Huy Tran	Silver Dollar Casino, SeaTac	Shorthorn Tavern	Omak
Loan Vo	Macau Casino, Lakewood	<b>Failed to properly delete prizes from pull-tab flare</b>	
<b>Extended credit to a casino patron</b>		Everybody's American Cookhouse	Port Orchard
Benjamin Gibson	Drift on Inn, Shoreline	<b>Conducted a gambling activity without a license</b>	
Lyly Tan	Drift on Inn, Shoreline	Inland Empire Gambling Records	Spokane
Daryl Thomas	Drift on Inn, Shoreline	<b>Allowed a minor to gamble</b>	
Tu-Uyen Tieng	Drift on Inn, Shoreline	Rosemere Tavern	Vancouver
<b>Allowed a minor to gamble</b>			
Sunny Duong	Diamond Lil's, Renton		

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AMENDATORY SECTION

**WAC 230-06-080 Report changes to application information and submit updated documents and information.**

- (1) Licensees must notify us in writing if any information filed with the application changes in any way within thirty days of the change.
- (2) Licensees must submit to us any new or updated documents and information within thirty days of the effective date of the document or information, including the following:
  - (a) Articles of incorporation or bylaws, or any other documents which set out the organizational structure and purposes; and
  - (b) All oral or written contracts and agreements which relate to gambling activities or alter the organizational structure of the licensee's organization or business activities in Washington; and
  - (c) All cash or asset contributions, draws from lines of credit, and loans (except those from recognized financial institutions) during any calendar year which by themselves or totaled together are more than ten thousand dollars. Cash or asset contributions do not include donations to licensed charitable or nonprofit organizations; and
  - (d) Internal Revenue Service tax deductible status of contributions for charitable and nonprofit organizations.

NEW SECTION

**WAC 230-06-052 Withdrawing gambling equipment authorization.**

If the director or the director's designee withdraws authorization of gambling equipment:

- (1) The director or the director's designee will give the applicant written notice and an opportunity to object to the decision. If the applicant does not agree with the decision, they may file a petition for declaratory order with the commission to be heard as a full review (de novo) by an administrative law judge, according to RCW 34.05.240 and chapter 230-17 WAC.
- (2) The director or the director's designee will provide written notice to other impacted licensees who have the gambling equipment after a final decision is made.

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## AMENDATORY SECTION

**WAC 230-03-045 Defining substantial interest holder.**

- (1) "Substantial interest holder" means a person who has actual or potential influence over the management or operation of any organization, association, or other business entity.
- (2) Evidence of substantial interest may include, but is not limited to:
  - (a) Directly or indirectly owning, operating, managing, or controlling an entity or any part of an entity; or
  - (b) Directly or indirectly profiting from an entity or assuming liability for debts or expenditures of the entity; or
  - (c) Being an officer or director or managing member of an entity; or
  - (d) Owning ten percent or more of any class of stock in a privately or closely held corporation; or
  - (e) Owning five percent or more of any class of stock in a publicly traded corporation; or
  - (f) Owning ten percent or more of the membership shares/units in a privately or closely held limited liability company; or
  - (g) Owning five percent or more of the membership shares/units in a publicly traded limited liability company; or
  - (h) Providing ten percent or more of cash, goods, or services for the start up of operations or the continuing operation of the business during any calendar year or fiscal year. To calculate ten percent of cash, goods, or services, take the operational expenses of the business over the past calendar or fiscal year, less depreciation and amortization expenses, and multiply that number by ten percent; or
  - (i) Receiving, directly or indirectly, a salary, commission, royalties, or other form of compensation based on the gambling receipts.
- (3) Spouses of officers of charitable or nonprofit organizations and spouses of officers or board members of publicly traded entities or subsidiaries of publicly traded entities are not considered substantial interest holders, unless there is evidence to the contrary. If so, then an investigation will be conducted to determine if they qualify as a substantial interest holder.

## AMENDATORY SECTION

**WAC 230-03-065 Spouses must also be qualified.**

- (1) Applicants' spouses must also meet the qualifications to hold a gambling license when married persons who maintain a marital community apply for or hold a license to operate gambling activities. This includes, but is not limited to, owners and substantial interest holders of commercial gambling establishments ((and officers of charitable or nonprofit organizations)).
- (2) If you are a licensed employee of a gambling operation, officer of a charitable or nonprofit organization, or an officer or a board member of a publicly traded entity or subsidiary of a publicly traded entity, your spouse does not need to meet the licensing qualifications, unless they are deemed to be a substantial interest holder.

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## AMENDATORY SECTION

**WAC 230-15-685 Restrictions on progressive jackpots.**

House-banked card game licensees operating progressive jackpots must follow these restrictions and procedures:

- (1) Progressive jackpot funds must accrue according to the rules of the game; and
- (2) At each gambling table, licensees must prominently post the amount of the progressive jackpot that players can win; and
- (3) Licensees must record the beginning amount of each progressive jackpot offered, including explanations for any increases or decreases in the prize amount offered. Licensees must keep this documentation with the progressive jackpot records; and
- (4) Licensees may establish a maximum limit on a progressive jackpot prize. If licensees establish a limit, they must make the amount equal to, or greater than, the amount of the jackpot when they imposed the limit. They must prominently post a notice of the limit at or near the game; and
- (5) Licensees may connect progressive jackpots offered on the same card game on multiple tables within the same licensed location.

## Washington State Gambling Commission

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**Twitter: [WAGambling](https://twitter.com/WAGambling)**

**For Operational or Regulatory Questions, please call our field office closest to you.**

Everett	(425) 304-6300	Tacoma	(253) 671-6280
Kennewick	(509) 734-7412	Vancouver	(360) 576-6012
Renton	(425) 277-7022	Wenatchee	(509) 663-9660
Spokane	(509) 325-7900	Yakima	(509) 325-7900

**Headquarters – Lacey**  
**Toll-free in-state (800) 345-2529    (360) 486-3440    TDD: (360) 486-3637**

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**Our Mission:**  
**Protect the Public By Ensuring that Gambling is Legal and Honest.**